

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 30, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12944**

**In the Matter of**

**STEVEN ALTMAN, ESQ.**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION 4C  
OF THE SECURITIES EXCHANGE ACT OF  
1934 AND RULE 102(e) OF THE  
COMMISSION’S RULES OF PRACTICE.**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Steven Altman, Esq. (“Respondent”) pursuant to Section 4C of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.<sup>1</sup>

**II.**

After an investigation, the Office of the General Counsel alleges that:

A. RESPONDENT

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<sup>1</sup> Rule 102(e)(1)(ii), 17 C.F.R. 201.102(e)(1)(ii), provides, in pertinent part, that:

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found by the Commission . . . to have engaged in unethical or improper professional conduct . . . .

Section 4C(a), 15 U.S.C. 78d-3(a), provides, in pertinent part, that:

The Commission may . . . deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found by the Commission . . . to have engaged in unethical or improper professional conduct . . . .

1. Respondent is an attorney and a member of the New York Bar. Respondent, 46 years old, is a resident of New York City, New York.

B. IMPROPER PROFESSIONAL CONDUCT

1. In late 2003 and early 2004 (the “relevant period”), Respondent represented an individual, who was a witness in a Commission administrative proceeding entitled *In the Matter of Harrison Securities Inc., et al.*, AP File No. 3-11084 (*Harrison Securities* proceeding). In January 2004, the Commission’s Division of Enforcement (“Division”) learned that Respondent’s client might be able to provide testimony that could establish that one of the factual defenses asserted by the respondents in the *Harrison Securities* proceeding lacked merit.

2. When Division staff contacted Respondent’s client, she referred them to Respondent. During the next few weeks, Respondent represented his client in her dealings with the Division staff.

3. During the relevant period, Respondent contacted, by telephone, the attorney who was representing Harrison Securities and its president, Fred Blumer (“Blumer”), in the *Harrison Securities* proceeding. Respondent and Blumer’s attorney had at least six telephone conversations during this time. Unbeknownst to Respondent, Blumer’s attorney tape recorded five of these conversations.

4. During the taped conversations, Respondent requested that Blumer arrange for a “severance package” (i.e., removing his client as the co-signer on two car leases with Blumer and paying her salary) for his client. In return for this severance package, Respondent indicated that his client might not cooperate with the Commission and/or that her recollection of the relevant events might “fade.” In the last of these conversations, Blumer’s attorney asked Respondent “what package” his client wanted to “not cooperate.” Respondent stated, “Get her off those leases and, you know, your salary, and you can even pay it out over a year.” Blumer’s attorney then asked, “what will we get if they do that, she won’t cooperate or she won’t remember?” Respondent stated “probably both.”

5. Respondent’s knowing conduct violates DR 1-102(A)(4) barring “conduct involving dishonesty, fraud, deceit, or misrepresentation,” DR 1-102(A)(5) barring “conduct that is prejudicial to the administration of justice” and/or DR 1-102(A)(7) barring “any other conduct that adversely reflects on the lawyer’s fitness as a lawyer” of the New York State Bar Association’s Code of Professional Responsibility’s Disciplinary Rules, to which he was subject during the relevant period.

C. VIOLATIONS

As a result of the conduct described above, Respondent engaged in improper professional conduct and is subject to discipline pursuant to Section 4C of the Exchange Act and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.

### III.

In view of the allegations made by the Office of the General Counsel, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 4C of the Exchange Act and Rule 102(e) of the Commission's Rules of Practice including, but not limited to, denying, temporarily or permanently, the privilege of appearing or practicing before the Commission.

### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris  
Secretary